

STATE OF IDAHO
DEPARTMENT OF ENVIRONMENTAL QUALITY

CLEAN WATER

STATE REVOLVING FUND

ANNUAL REPORT

for
Fiscal Year 2004
July 1, 2003 - June 30, 2004

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STATE OF IDAHO
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE REVOLVING FUND
2004 ANNUAL REPORT

INTRODUCTION

This annual report is prepared for and submitted to the United States Environmental Protection Agency (EPA) in compliance with the requirements of Title VI of the Clean Water Act and 40 CFR Part 35. The reporting period is the state fiscal year (FY 2004) which began July 1, 2002 and ended June 30, 2004. This report describes how the Department of Environmental Quality (DEQ) has met the goals and objectives of its State Revolving Fund (SRF) as identified in the Intended Use Plans and Capitalization Grant Applications. In addition to addressing these documents, this report reflects the sources and uses of all SRF funds during FY 2004.

At the end of FY 2004 the SRF was capitalized with 15 federal capitalization grants and the corresponding state match. Figure 1 shows these funds by year as well as the allocation of the funds for administration and for loans.

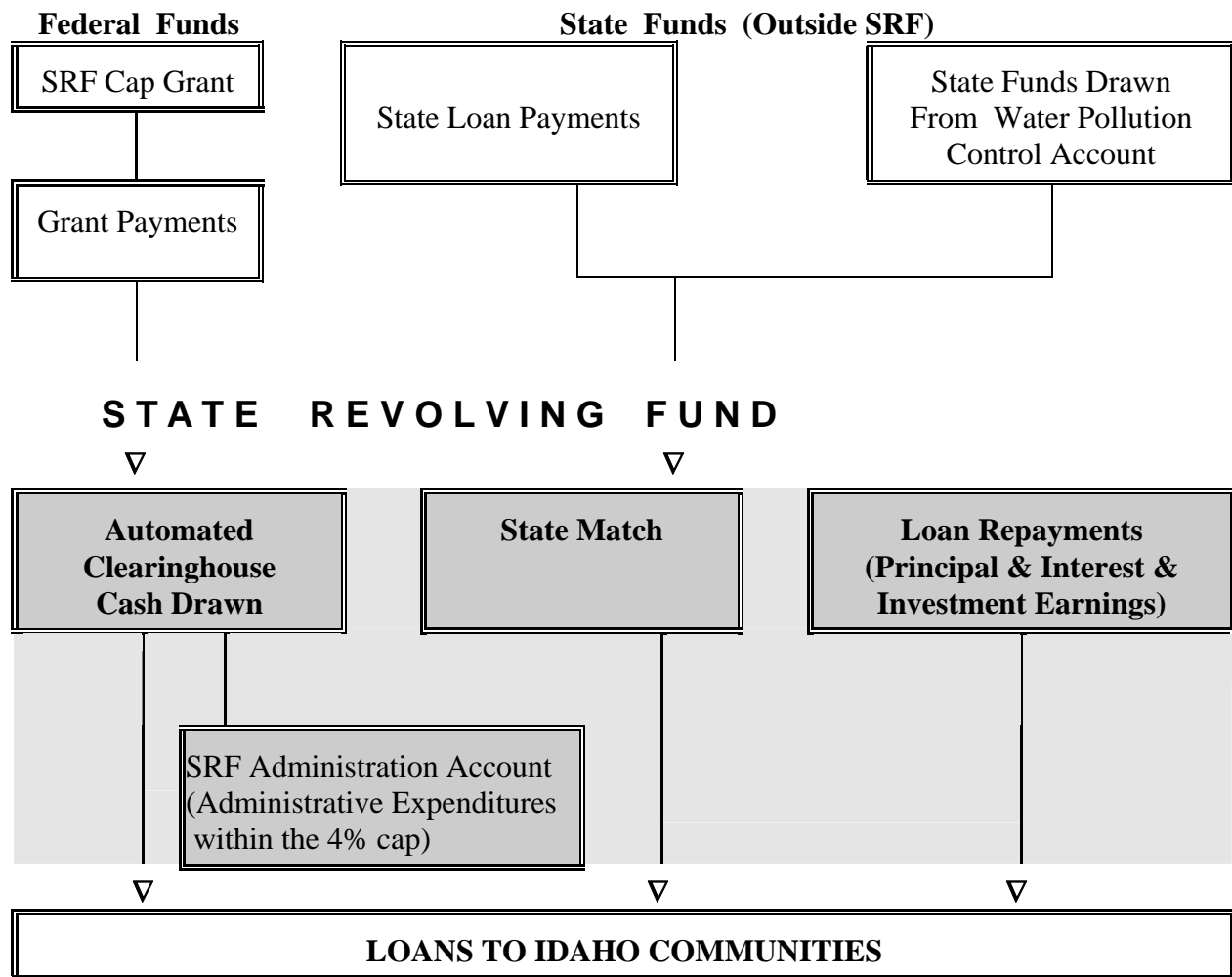
FIGURE 1: IDAHO SRF FUNDING THROUGH 6/30/2004

| FFY | Capitalization Grant Amount | 20% State Match | Administrative Allowance | Net Available for Loans |
|------|--------------------------------|--------------------|-----------------------------|----------------------------|
| 1989 | \$4,577,200 | \$915,440 | \$183,088 | \$5,309,552 |
| 1990 | 4,738,000 | 947,600 | 189,520 | 5,496,080 |
| 1991 | 10,343,215 | 2,068,643 | 403,001 | 12,008,857 |
| 1992 | 9,534,900 | 1,906,980 | 381,396 | 11,060,484 |
| 1993 | 9,431,000 | 1,886,200 | 377,240 | 10,939,960 |
| 1994 | 5,813,800 | 1,162,760 | 232,552 | 6,744,008 |
| 1995 | 6,007,800 | 1,201,560 | 240,312 | 6,969,048 |
| 1996 | 6,318,400 | 1,263,680 | 252,736 | 7,329,344 |
| 1997 | 6,576,800 | 1,315,360 | 263,072 | 7,629,088 |
| 1998 | 6,577,300 | 1,315,460 | 263,092 | 7,629,668 |
| 1999 | 6,577,900 | 1,315,580 | 263,116 | 7,630,364 |
| 2000 | 6,555,200 | 1,311,040 | 262,208 | 7,604,032 |
| 2001 | 6,496,100 | 1,299,220 | 259,844 | 7,535,476 |
| 2002 | 6,510,800 | 1,302,160 | 260,432 | 7,552,528 |
| 2003 | 6,467,800 | 1,293,560 | 258,712 | 7,502,648 |
| | 102,526,215 | 20,505,243 | 4,090,321 | 118,941,137 |

Figure 2 below shows the flow of monies through the State Revolving Fund. Transfers are made from the Water Pollution Control Account as the 20% match is required when cash draws are made from the

capitalization grants.

FIGURE 2: STATE REVOLVING FUND AND ACCOUNTS FLOW CHART



Other continuing activities during this fiscal year include the negotiation and signing of 8 new loan agreements and two loan increases in the total amount of \$46,392,377. This brings the total number of signed loan agreements to 70 and an aggregate loan amount of \$218,277,713.

This fiscal year \$17,194,288 was disbursed to loan recipients. Three more loans finished the disbursement phase, bringing the total of completed loan projects to 52. All loans are scheduled to be repaid within twenty years of project completion.

This fiscal year DEQ staff receipted loan repayments of \$2,898,152 in principal and \$2,062,843 in interest. All scheduled repayments were received on time and in the scheduled amounts. There have been no loan defaults.

In addition to revenue from capitalization grants, the state match and repayments, the SRF is generating interest revenue on undisbursed monies. The fund received \$1,393,228 during the fiscal year.

LONG TERM GOALS AND PROGRESS

Three long-term goals were identified in the Intended Use Plans that were previously submitted to EPA. DEQ has made progress toward achievement of these long-term goals.

GOAL 1

Protect public health and the waters of the state by offering financial assistance for the construction of wastewater treatment facilities.

Progress

By June 30, 2004 DEQ had completed 16 annual rounds of establishing priority lists in order to make the funding available. However, because the needs of all communities is much larger than the available funds, DEQ has attempted to award funding for projects as much as possible in priority order. Loan applications are only solicited for amounts equal to the funds available. This prevents communities from having to incur the cost of preparing an application for which funds are not available.

DEQ staff meets on a quarterly basis with all other state and federal agencies that provide funding for wastewater treatment projects in order to coordinate efforts. Each of the agencies reviews the priority lists of each of the other agencies. Several projects for which SRF loans have been awarded also have Community Development Block Grants that are administered by the Idaho Department of Commerce.

Projects That Address This Goal

Granite Reeder Sewer District was awarded a \$3,135,000 loan for design and construction of a new wastewater treatment system including on-site grinder pumps, a pressure collection line, lagoon and land application. The project will replace septic systems for approximately 250 homes, many of which are substandard. Drinking water wells in the area draw water from 35 to 80 feet below the ground with no clay layer separation from the septic tanks above. Several areas along the Priest Lake shoreline have been observed that contained nutrient enriched ground water from septic effluent.

The City of Mountain Home was awarded a \$4 million loan for design and construction of an upgrade to their wastewater plant and replacement of some collection and interceptor lines. Part of the project involves abandonment of two lagoon cells that have been leaking excessively into groundwater, creating a public health risk

for area homeowners with domestic wells. The lagoons are located within a Group 1 Nitrate Priority Area.

The City of Rupert was awarded a \$12 million loan for design and construction of a new mechanical wastewater treatment plant. The existing lagoon system was designed to treat a BOD loading of 6,000 pounds per day but averages twice that amount which has caused air quality violations. If not upgraded, the current plant would be organically overloaded and the land application site would be hydraulically overloaded. Hydraulically overloading the land application site could create a public health risk by contaminating the groundwater.

Eagle Sewer District was awarded \$280 thousand for design and construction of a collection system to serve the Evans Acres subdivisions 2 and 3. Residents in these subdivisions were on septic tanks. Lots in these subdivisions range from $\frac{1}{4}$ to $\frac{1}{2}$ acre, making proper placement of septic tanks and drainfields difficult.

GOAL 2

Assist local communities as they strive to achieve and maintain compliance with federal and state water quality standards.

Progress

Idaho's SRF Program continues to be water quality driven. All projects identified to receive financial assistance are ranked in accordance with the integrated priority system that was developed to rank all water quality projects.

Projects That Address This Goal

The City of Burley was awarded an \$18 million loan to design and construct a new 4 mgd mechanical wastewater treatment plant. Burley discharges effluent to the Snake River pursuant to NPDES number ID-002009-5. The old lagoon system could not meet new permit requirements and was not meeting discharge limits for ammonia and total suspended solids. A new limit on total phosphorus of 39 lbs/day was established in the new permit as well. Unless Burley can meet its limit on phosphorus, the allocation for phosphorus in the Snake River allowed by the TMDL may be exceeded.

North Lake Recreational Sewer and Water District was awarded two separate loans. The first loan of \$5,340,000 was for design and construction of a collection system for the Tamarack subdivision and aeration equipment at the treatment facility to handle the resulting wastewater flow. The second loan of \$485,000 was for design and construction of a collection system for the Wagon Wheel subdivisions 6, 7 and 8. Both projects are a continuation of the effort to provide central sewers and treatment for homes around Cascade Lake. In the last 10-15 years there has been great concern

about the deteriorating water quality in the lake. One significant source of contamination has been documented to be the result of leaking septic tanks and drainfields. The contamination problem is compounded by high groundwater throughout the area.

Star Water and Sewer District was awarded a \$3,100,000 loan for design and construction of an upgrade to the existing wastewater treatment plant and a parallel mechanical treatment plant. Pursuant to NPDES permit number ID-002359-1 the District discharges wastewater effluent to the Lawrence Kennedy Canal, which empties into the Boise River. The existing plant is at design capacity. The TMDL for the Boise River has new pending nutrient limits that the existing lagoon system could not meet.

GOAL 3

| |
|---|
| Administer Idaho's SRF to ensure its financial integrity, viability, and revolving nature in perpetuity. |
|---|

Progress

Loan applications have been and will be carefully scrutinized to assure affordability and thereby loan repayment. In most cases loans will be secured by Revenue Bonds which will be held as collateral for the loan. In the case of projects that are funded using the "ordinary and necessary" provisions allowed by the Idaho Constitution, covenants are required which give the SRF rights to recover in case of nonpayment. "Ordinary and necessary" loans also are collateralized by promissory notes. All loan ordinances establish reserve accounts to be drawn upon to make a loan repayment in case of a shortfall in the collection of user charges.

The loan rate is adjusted on an annual basis and is established by a policy signed by the Director. The rate for FY2004 was set at 3.50%.

Because the number of projects that are able and willing to proceed with construction has not exceeded the amount of available funding, DEQ has decided not to pursue leveraging schemes that could increase the available amount of funds. Leveraging in Idaho would be very difficult since the Department does not have bonding authority and even the State Treasurer is limited by the State Constitution to \$2 million in long-term debt.

SHORT TERM GOALS AND PROGRESS

In its Intended Use Plan DEQ identified three short-term goals to be implemented in FY 2004. These have been achieved as follows:

GOAL 1

Perform all necessary tasks to assure that all loan assistance requested for Federal Fiscal Year 2004 funding is provided to projects on the list in a timely manner.

Progress

DEQ staff has worked diligently to obtain loan applications from any and all projects that were willing and able to proceed. Many preapplication meetings were held. The signing of the 8 new loans previously mentioned has put the SRF well ahead of the schedule negotiated with EPA for securing signed loan agreements.

GOAL 2

Explore opportunities to expand the uses of SRF funds to include funding of non-point source projects.

Progress

Changes were made to Idaho Code and DEQ rules to allow SRF funding for non-point source projects. An integrated priority rating form was developed pursuant to the rules that would produce a priority list of projects that could include both point and non-point source projects.

GOAL 3

Address long-term funding for SRF administrative costs when capitalization grants are no longer provided.

Progress

DEQ's Deputy Attorney General has concluded that DEQ lacked authority to implement fees on loan agreements. Legislation was sought and enacted in FY 2004 that gives DEQ the authority to use a portion of the interest revenues from loans for operation of the loan program. The exact plan on how that will be accomplished will be submitted to EPA in FY 2005.

METHODS AND CRITERIA FOR DISTRIBUTION OF FUNDS

The following principles and procedures were the basis for the

administration, funding, allocation and distribution of the SRF monies in FY 2004.

PROGRAM ADMINISTRATION

Four percent of each capitalization grant provided by EPA was set aside to be used for program administration.

SRF PRIORITY LIST

Priority list rating forms were sent to Project Engineers in DEQ regional offices to rate all cities, counties and water and sewer districts in the state. Once all of the forms were completed a meeting was held of the Senior Engineers to rate and rank the projects. The result of the rating and ranking was the preliminary priority list that was presented at the public hearing.

Projects on the FY2004 list were rated using the following criteria:

- A. 150 points - Only if a public health emergency is certified by the DEQ Board or a Health District Board.
- B. 0 to 100 points- Watershed Restoration. These projects implement best management practices or initiate construction of wastewater collection and treatment facilities as part of a TMDL, protect threatened waters identified through Idaho's Nonpoint Source Management Plan, or is a part of a special water quality effort.
- C. 0 to 100 points- Watershed Protection from Impacts. Points are assigned based upon the number of stream miles impacted; the number of lake/reservoir surface areas impacted; the extent of groundwater impacts to beneficial uses or the ability of a statewide project to promote point or nonpoint source pollution reduction or mitigation.
- D. 0 to 50 points- Secondary "Incentive" Project Ranking. These criteria were design to give bonus points to projects that had completed activities that indicate progress toward being ready to accept a loan, i.e.- completion of a facility plan or put in place a plan for loan payback such as hiring of a financial consultant or passing a bond election. Extra points are awarded if the project results in higher user charge rates as well as for projects that correct an existing or potential health hazard.

FUNDABLE PROJECTS

The highest rated projects on the adopted Priority List that are

ready to proceed are selected for funding and listed on the IUP.

DISBURSEMENTS

The estimated timing and amount of disbursements for the projects on the new IUP are added to the latest cash disbursement request projections for prior year funded and projected projects. The projections are based upon estimated disbursement schedules submitted by loan recipients and projected timing of loan agreements, adjusted for corrections by regional project engineers and central office staff. These disbursements are tracked on an on-going basis to project needed cash from all capitalization grants and state match. All funds were expended in an expeditious and timely manner.

FEDERAL PAYMENTS

Idaho's proposed payment schedule for each capitalization grant is based upon the projected timing of signed loan agreements with projects listed on the current and prior IUP's. This allows for adjustment of prior IUP projects to be reflected in the federal payment schedule.

STATE MATCH

Idaho's match for all capitalization grants is provided from a perpetual appropriation from the state Water Pollution Control Account.

COMPLIANCE WITH OPERATING AGREEMENT REQUIREMENTS

The following sections address compliance with the requirements of the Operating Agreement between the EPA and DEQ for the SRF Program.

FIRST USE REQUIREMENT

This requirement for the use of SRF funds has been met. All Idaho communities on the National Municipal Policy list have achieved compliance with water quality requirements, are on an enforceable schedule, have an enforcement action filed, or have a funding commitment.

EQUIVALENCY REQUIREMENTS

Idaho plans to use both its federal capitalization grant and state match on "equivalency projects". As such, it is DEQ's intent that all projects meet each of the 16 specific statutory requirements provided in Section 602(b)(6) of the Clean Water Act. In the event that EPA disagrees with DEQ's determination that a particular project qualifies as an "equivalency project," DEQ will accept the judgement of EPA and substitute one or more additional "equivalency projects" of similar or greater size to ensure that Idaho is

released from Title II requirements as soon as possible.

Each SRF loan agreement includes language agreeing to comply with the 16 Title II requirements of the SRF program as well as federal "cross-cutting" requirements. Compliance with the appropriate Title II and "cross-cutting" requirements is a checklist item monitored by regional project engineers.

ENVIRONMENTAL REVIEWS

DEQ reviews all requests for categorical exclusion, environmental assessments and environmental impact statements for SRF projects pursuant to procedures established in the SRF Handbook of Procedures. These documents are prepared by project applicants. After review and incorporation of any DEQ staff comments, public comments are solicited through notices published in a local newspaper of general circulation. Comments are sought from other affected state and federal agencies as well as Indian Tribes.

During FY 2004 public notices were developed and environmental documents were reviewed for Eagle Sewer District, Burley, two for the North Lake Recreational Sewer and Water District, Mountain Home, Granite Reeder Sewer District, Star Water and Sewer District and Rupert. Findings of No Significant Impact were issued for Burley, Granite Reeder and Star while the others qualified for Categorical Exclusions.

APPLICABLE FEDERAL AUTHORITIES AND LAWS

DEQ, and recipients of SRF monies directly made available by the capitalization grants, will comply with federal laws and authorities, as identified in the Initial Guidance of January 1988 and applicable regulations. DEQ agrees to notify EPA when consultation or coordination is necessary to resolve issues regarding compliance with "cross-cutting" authorities. As is the case with Title II requirements, specific language agreeing to comply is included in each loan agreement, and compliance is a checklist review item for each regional project engineer.

PUBLIC INVOLVEMENT

Public involvement was provided during the development of the FY 2005 Priority List. Notification of the hearing was published in 6 regional Idaho newspapers once a week for 3 consecutive weeks. The public was invited to submit comments concerning the list by May 21, 2004. Notifications of the opportunity to submit projects for consideration were also mailed to all Idaho cities, counties, water and sewer districts, and many engineering consultants. The Intended Use Plan, including the Priority List, was posted on the DEQ website as well. A public hearing to receive oral comments regarding the list was held on May 12, 2004 at the DEQ building in Boise. The DEQ Board approved the final FY 2004 list on June 24,

2004 .

Table 1
Idaho Department of Environmental Quality - State Revolving Fund
List of Projects With Signed Loan Agreements - As of 6/30/2003

ATTACHMENT A

| <u>Project Name</u> | <u>LOAN NUMBER</u> | <u>DESCRIPTION</u> | <u>LOAN DATE</u> | <u>LOAN PER IUP</u> | <u>AMOUNT ACTUAL</u> | <u>REPAYMENT PERIOD</u> | <u>INTEREST RATE</u> |
|---------------------|------------------------|---------------------|----------------------|-------------------------|--------------------------|-----------------------------|--------------------------|
| Aberdeen | 1890-01 | Treatment | 8/14/90 | \$323,000 | \$323,000 | 20 years | 4.0% |
| Basalt | 1893-04 | Interceptor | 11/23/94 | \$625,000 | \$94,875 | 20 years | 4.5% |
| Bellevue | 1892-02 | Coll. & Treat | 6/20/91 | \$1,150,000 | \$1,150,000 | 20 years | 4.0% |
| Blackfoot | 1892-03 | Coll.Inter.&Treat. | 10/23/91 | \$954,168 | \$908,000 | 20 years | 4.0% |
| Boise | 1890-04 | Interceptor | 8/20/91 | \$1,015,684 | \$687,458 | 20 years | 4.0% |
| Boise | 1893-06 | Treatment | 6/28/95 | \$7,145,982 | \$8,300,000 | 20 years | 4.5% |
| Boise | 1895-01 | Treatment | 11/29/95 | \$6,000,000 | \$6,800,000 | 20 years | 4.5% |
| Boise | 1895-02 | Treatment | 5/8/96 | \$4,540,404 | \$7,000,000 | 20 years | 4.5% |
| Boise | 1898-07 | Interceptor | 4/10/01 | \$1,600,000 | \$1,648,600 | 20 years | 4.0% |
| Boise | 1899-06 | Treatment | 6/3/03 | \$11,500,000 | \$10,600,000 | 20 years | 3.75% |
| Burley | 1899-08 | Treatment | 2/12/04 | \$18,000,000 | \$18,000,000 | 20 years | 3.5% |
| Caldwell | 1896-03 | Treatment | 4/7/98 | \$10,000,000 | \$10,000,000 | 20 years | 4.5% |
| Coeurd'Alene | 1890-03 | Collectors | 10/8/90 | \$833,700 | \$833,700 | 20 years | 4.0% |
| Coeurd'Alene | 1891-01 | Treatment | 8/20/91 | \$3,834,265 | \$5,200,000 | 20 years | 4.0% |
| Coeurd'Alene | 1891-04 | Collectors | 4/3/91 | \$621,600 | \$621,600 | 20 years | 4.0% |
| Coeurd'Alene | 1891-05 | Collectors | 4/3/91 | \$197,400 | \$197,400 | 20 years | 4.0% |
| Coeurd'Alene | 1892-07 | Compost | 1/6/93 | \$500,000 | \$500,000 | 20 years | 4.0% |
| Coeurd'Alene | 1892-09 | Collectors | 3/20/96 | \$715,450 | \$483,000 | 20 years | 4.5% |
| Coeurd'Alene | 1892-10 | Collectors | 3/20/96 | \$715,450 | \$436,800 | 20 years | 4.5% |
| Coeurd'Alene | 1899-03 | Treatment | 7/16/02 | \$11,000,000 | \$15,000,000 | 20 years | 3.75% |
| Coolin SD | 1899-02 | Treatment | 6/4/02 | \$1,800,000 | \$3,900,000 | 20 years | 3.75% |
| Council | 1893-03 | Coll. & Int. | 6/7/93 | \$500,000 | \$500,000 | 20 years | 4.5% |
| Dietrich | 1895-05 | Treatment | 8/27/97 | \$100,000 | \$100,000 | 20 years | 4.5% |
| Driggs | 1896-07 | Treat & Int. | 8/18/98 | \$1,150,000 | \$1,150,000 | 20 years | 4.5% |
| Eagle SD | 1899-07 | Collectors | 7/14/03 | \$280,000 | \$280,000 | 20 years | 3.5% |
| Eden | 1893-05 | Interceptor | 7/11/94 | \$115,000 | \$115,000 | 20 years | 4.5% |
| Ellisport Bay | 1892-11 | Treat & Int. | 10/8/96 | \$450,000 | \$723,667 | 20 years | 4.5% |
| Fremont County | 1896-05 | Treatment | 4/27/98 | \$1,035,590 | \$1,700,000 | 20 years | 4.5% |
| Fremont County | 1899-05 | Treatment | 8/12/02 | \$800,000 | \$900,000 | 20 years | 3.75% |
| Gooding | 1895-04 | Interceptor | 5/5/97 | \$1,041,667 | \$500,000 | 20 years | 4.5% |
| Gooding | 1893-01 | Interceptor | 4/16/93 | \$1,250,000 | \$1,560,000 | 20 years | 4.5% |
| Granite Reeder SD | 1899-12 | Intercept. & Treat. | 1/5/04 | \$2,000,000 | \$3,135,000 | 20 years | 3.5% |
| Hailey | 1895-06 | Treatment | 9/23/97 | \$2,500,000 | \$4,500,000 | 20 years | 4.5% |
| Hayden | 1892-04 | Collectors | 5/14/92 | \$320,424 | \$745,328 | 20 years | 4.0% |
| Hayden | 1895-03 | Collectors | 3/22/96 | \$816,667 | \$598,126 | 20 years | 4.5% |
| Helmer | 1896-08 | Treatment | 9/25/98 | \$50,000 | \$68,318 | 20 years | 4.5% |
| Heyburn | 1891-02 | Treatment | 9/9/91 | \$999,600 | \$1,363,681 | 20 years | 4.0% |
| Id.Soil Cons. | 1899-04 | Non-Point | 8/23/02 | \$2,673,000 | \$2,673,000 | 20 years | 2.0% |
| Kalispel Bay SD | 1896-02 | Coll.Inter.&Treat. | 7/2/97 | \$1,700,000 | \$1,474,044 | 20 years | 4.5% |
| Kimberly | 1898-05 | Collectors | 10/10/00 | \$2,000,000 | \$2,000,000 | 20 years | 4.0% |
| Kuna | 1894-02 | Interceptor | 5/3/95 | \$492,500 | \$492,500 | 20 years | 4.5% |
| McCall | 1894-04 | Treatment | 12/6/96 | \$1,710,404 | \$3,140,850 | 20 years | 4.5% |
| Moscow | 1898-03 | Treatment | 5/1/00 | \$10,000,000 | \$10,000,000 | 20 years | 4.0% |
| Mountain Home | 1899-11 | Coll.Inter.&Treat. | 4/26/04 | \$4,005,000 | \$4,000,000 | 20 years | 3.5% |
| Murtaugh | 1892-06 | Treatment | 1/14/94 | \$50,000 | \$50,000 | 20 years | 4.0% |
| North Lake SD | 1898-01 | Collectors | 2/22/00 | \$488,000 | \$450,000 | 20 years | 4.0% |
| North Lake SD | 1896-04 | Collectors | 3/14/98 | \$600,000 | \$443,000 | 20 years | 4.5% |
| North Lake SD | 1894-03 | Coll.Inter.&Treat. | 6/23/95 | \$5,000,000 | \$6,780,000 | 20 years | 4.0% |
| North Lake SD | 1898-10 | Coll. & Int. | 10/13/01 | \$106,000 | \$220,000 | 20 years | 3.75% |
| North Lake SD | 1899-09 | Coll. & Int. | 8/9/03 | \$4,106,000 | \$5,340,000 | 20 years | 3.5% |
| North Lake SD | 1899-10 | Collectors | 4/23/04 | \$460,000 | \$485,000 | 20 years | 3.5% |
| Outlet Bay | 1891-03 | Collectors | 7/25/92 | \$75,875 | \$524,000 | 20 years | 4.0% |
| Outlet Bay | 1898-06 | Treatment | 7/29/00 | \$2,293,080 | \$2,960,250 | 20 years | 4.0% |
| Parma | 1896-01 | Coll.Inter.&Treat. | 3/5/98 | \$500,000 | \$565,000 | 20 years | 4.5% |
| Payette | 1898-04 | Treat & Int. | 11/6/00 | \$3,000,000 | \$1,200,000 | 20 years | 4.0% |
| Pocatello | 1890-02 | Treat & Int. | 9/17/90 | \$3,681,000 | \$3,917,000 | 20 years | 4.0% |
| Pocatello | 1897-01 | Treat & Int. | 1/20/99 | \$4,800,000 | \$5,000,000 | 20 years | 4.0% |
| Pocatello | 1898-09 | Treatment | 8/28/01 | \$6,449,740 | \$5,850,000 | 20 years | 3.75% |
| Pocatello | 1899-01 | Treatment | 10/30/02 | \$11,150,000 | \$11,500,000 | 20 years | 3.75% |
| Post Falls | 1892-01 | Collectors | 5/15/91 | \$1,375,476 | \$1,399,516 | 20 years | 4.0% |
| Rexburg | 1892-05 | Treatment | 4/22/93 | \$5,000,000 | \$5,000,000 | 15 years | 4.0% |
| Rupert | 1893-02 | Interceptor | 8/3/93 | \$350,000 | \$340,000 | 10 years | 4.5% |
| Rupert | 1899-14 | Treatment | 6/30/04 | \$12,200,000 | \$12,000,000 | 20 years | 3.5% |
| S.Fork CdA River | 1898-08 | Treatment | 11/21/00 | \$4,000,000 | \$5,600,000 | 20 years | 4.0% |
| Spirit Lake | 1898-11 | Treatment | 12/27/01 | \$775,000 | \$900,000 | 20 years | 3.75% |
| Star W&S Dist. | 1899-13 | Treatment | 4/20/04 | \$3,600,000 | \$3,100,000 | 20 years | 3.5% |
| Twin Falls | 1898-02 | Treatment | 10/29/99 | \$8,000,000 | \$8,500,000 | 20 years | 4.0% |
| Victor | 1896-06 | Collect&Intercept | 9/3/98 | \$1,250,000 | \$1,250,000 | 20 years | 4.5% |
| Weiser | 1894-01 | Interceptor | 1/12/95 | \$500,000 | \$500,000 | 20 years | 4.5% |

Note: "Per IUP" information is from Intended Use Plan Current
or Extended List

\$198,872,126

\$218,277,713

Table 2

ATTACHMENT B

Idaho Department of Environmental Quality - State Revolving Fund

Cash Disbursements and Federal Cash Draws- Fiscal Year Ending 6/30/2004

| Project Name | LOAN NUMBER | Through FY 2003 | FY 2004 TOTAL | PROGRAM TOTAL |
|---|----------------|--------------------|------------------|--------------------|
| Aberdeen | 1890-01 | \$274,168 | \$0 | \$274,168 |
| Basalt | 1893-04 | \$94,875 | \$0 | \$94,875 |
| Bellevue | 1892-02 | \$1,150,000 | \$0 | \$1,150,000 |
| Blackfoot | 1892-03 | \$835,745 | \$0 | \$835,745 |
| Boise | 1890-04 | \$671,879 | \$0 | \$671,879 |
| Boise | 1893-06 | \$8,300,000 | \$0 | \$8,300,000 |
| Boise | 1895-01 | \$6,421,575 | \$0 | \$6,421,575 |
| Boise | 1895-02 | \$5,706,507 | \$0 | \$5,706,507 |
| Boise | 1898-07 | \$1,601,263 | \$0 | \$1,601,263 |
| Boise | 1899-06 | \$0 | \$3,036,125 | \$3,036,125 |
| Caldwell | 1896-03 | \$10,000,000 | \$0 | \$10,000,000 |
| Coeurd'Alene | 1890-03 | \$675,141 | \$0 | \$675,141 |
| Coeurd'Alene | 1891-01 | \$5,182,452 | \$0 | \$5,182,452 |
| Coeurd'Alene | 1891-04 | \$677,420 | \$0 | \$677,420 |
| Coeurd'Alene | 1892-07 | \$500,000 | \$0 | \$500,000 |
| Coeurd'Alene | 1892-09 | \$911,400 | \$0 | \$911,400 |
| Coolin Sewer District | 1899-02 | \$2,155,966 | \$1,441,014 | \$3,596,980 |
| Council | 1893-03 | \$481,398 | \$0 | \$481,398 |
| Dietrich | 1895-05 | \$94,858 | \$724 | \$95,582 |
| Driggs | 1896-07 | \$1,150,000 | \$0 | \$1,150,000 |
| Eagle SD | 1899-07 | \$0 | \$72,753 | \$72,753 |
| Eden | 1893-05 | \$112,236 | \$0 | \$112,236 |
| Ellisport Bay | 1892-11 | \$712,872 | \$0 | \$712,872 |
| Fremont County | 1896-05 | \$1,615,000 | \$0 | \$1,615,000 |
| Fremont County | 1899-05 | \$0 | \$866,890 | \$866,890 |
| Gooding | 1893-01 | \$756,497 | \$0 | \$756,497 |
| Gooding | 1895-04 | \$500,000 | \$0 | \$500,000 |
| Granite-Reeder SD | 1899-12 | \$0 | \$45,638 | \$45,638 |
| Hailey | 1895-06 | \$4,500,000 | \$0 | \$4,500,000 |
| Hayden | 1892-04 | \$745,328 | \$0 | \$745,328 |
| Hayden | 1895-03 | \$470,155 | \$0 | \$470,155 |
| Helmer | 1896-08 | \$43,009 | \$0 | \$43,009 |
| Heyburn | 1891-02 | \$1,341,512 | \$0 | \$1,341,512 |
| ID Soil Conserv. Comm. | 1899-04 | \$942,000 | \$200,000 | \$1,142,000 |
| Kalispel Bay SD | 1896-02 | \$1,432,932 | \$0 | \$1,432,932 |
| Kimberly | 1898-05 | \$912,033 | \$0 | \$912,033 |
| Kuna | 1894-02 | \$279,200 | \$0 | \$279,200 |
| McCall | 1894-04 | \$3,140,850 | \$0 | \$3,140,850 |
| Moscow | 1898-03 | \$10,000,000 | \$0 | \$10,000,000 |
| Murtaugh | 1892-06 | \$49,077 | \$0 | \$49,077 |
| North Lake SD | 1894-03 | \$6,421,354 | \$0 | \$6,421,354 |
| North Lake SD | 1896-04 | \$390,518 | \$0 | \$390,518 |
| North Lake SD | 1898-01 | \$446,368 | \$ | \$446,368 |
| North Lake SD | 1898-10 | \$160,744 | \$0 | \$160,744 |
| North Lake SD | 1899-09 | \$0 | \$3,870,782 | \$3,870,782 |
| Outlet Bay | 1891-03 | \$510,254 | \$0 | \$510,254 |
| Outlet Bay | 1898-06 | \$2,765,012 | \$195,238 | \$2,960,250 |
| Parma | 1896-01 | \$565,000 | \$0 | \$565,000 |
| Payette | 1898-04 | \$1,163,837 | \$0 | \$1,163,837 |
| Pocatello | 1890-02 | \$3,367,506 | \$0 | \$3,367,506 |
| Pocatello | 1897-01 | \$5,000,000 | \$0 | \$5,000,000 |
| Pocatello | 1898-09 | \$5,850,000 | \$0 | \$5,850,000 |
| Pocatello | 1899-01 | \$2,458,465 | \$6,223,254 | \$8,681,719 |
| Post Falls | 1892-01 | \$1,399,516 | \$0 | \$1,399,516 |
| Rexburg | 1892-05 | \$4,844,847 | \$0 | \$4,844,847 |
| Rupert | 1893-02 | \$207,820 | \$0 | \$207,820 |
| S.Fork Cda River SD (A) | 1898-08 | \$4,061,642 | \$0 | \$4,061,642 |
| S.Fork Cda River SD (B) | 1898-08 | \$0 | \$824,407 | \$824,407 |
| Spirit Lake | 1898-11 | \$452,749 | \$417,463 | \$870,212 |
| Twin Falls | 1898-02 | \$8,075,000 | \$0 | \$8,075,000 |
| Victor | 1896-06 | \$1,250,000 | \$0 | \$1,250,000 |
| Weiser | 1894-01 | \$480,183 | \$0 | \$480,183 |
| Subtotal- Loan Disbursements | | \$124,308,163 | \$17,194,288 | \$141,502,451 |
| Program Administration Draws | | <u>\$3,520,218</u> | <u>\$226,660</u> | <u>\$3,746,878</u> |
| Total Disbursements | | \$127,828,381 | \$17,420,948 | \$145,249,329 |
| Federal Cash Draws | | \$95,612,171 | \$6,669,362 | \$102,281,533 |
| Federal Cash Draws as a % of Disbursements | | 75% | 38% | 70% |

Table 3

Department of Environmental Quality - State Revolving Fund
 Binding Commitments - As of 6/30/2004

| <u>Project Name</u> | <u>LOAN NUMBER</u> | <u>Through FY 2003</u> | <u>Quarter Ending 9/03</u> | <u>Quarter Ending 12/03</u> | <u>FY 2004 Quarter Ending 3/04</u> | <u>Quarter Ending 6/04</u> | <u>PROGRAM TOTAL</u> | <u>LOAN SIGNED</u> |
|--|------------------------|----------------------------|--------------------------------|---------------------------------|--|--------------------------------|--------------------------|------------------------|
| Prior Year Loans | | \$171,885,336 | | | | | \$171,885,336 | |
| Burley | 1899-08 | | | | \$18,000,000 | | \$18,000,000 | 2/12/04 |
| Eagle Sewer District | 1899-07 | | \$280,000 | | | | \$280,000 | 7/14/03 |
| Fremont County(Increase) | 1899-05 | | | \$50,000 | | | \$50,000 | 8/12/02 |
| Granite Reeder SD | 1899-12 | | | | \$3,135,000 | | \$3,135,000 | 1/5/04 |
| Mountain Home | 1899-11 | | | | | \$4,000,000 | \$4,000,000 | 4/26/04 |
| North Lake SD | 1899-09 | | \$4,840,000 | \$500,000 | | | \$5,340,000 | 8/9/03 |
| North Lake SD | 1899-10 | | | | | \$485,000 | \$485,000 | 6/14/04 |
| Outlet Bay (Increase) | 1898-06 | | | \$2,377 | | | \$2,377 | 7/29/00 |
| Star W&S District | 1899-13 | | | | | \$3,100,000 | \$3,100,000 | 4/24/04 |
| Rupert | 1899-14 | | | | | \$12,000,000 | \$12,000,000 | |
| Administration | | <u>3,831,609</u> | <u>\$258,712</u> | | | | <u>\$4,090,321</u> | |
| Total Binding Commitments | | \$175,716,945 | \$5,378,712 | \$552,377 | \$21,135,000 | \$19,585,000 | \$222,368,034 | |
| Prior Year Federal Payments | | \$89,547,615 | \$260,432 | \$6,250,368 | \$0 | \$0 | \$96,058,415 | |
| Binding Commitment Required (120% of Federal Payment) | | \$107,457,138 | \$312,518 | \$7,500,442 | \$0 | \$0 | \$115,270,098 | |
| Binding Commitments as a % of Binding Commitment Requirement | | 164% | 168% | 158% | 176% | 193% | 193% | |

LIST OF FUNDABLE PROJECTS

| <u>PROJECT</u> | Priority List <u>Number</u> | <u>LOAN AMOUNT</u> | BINDING COMMITMENT <u>DATE</u> |
|--------------------------|-----------------------------------|--------------------|--------------------------------------|
| Administration | | \$258,712 | 9/03 |
| Dietrich, City of | 1 | 100,000 | 9/03 |
| Shelley, City of | 2 | 1,300,000 | 7/03 |
| Moscow, City of | 4 | 3,500,000 | 3/04 |
| Mountain Home, City of | 5 | 4,005,000 | 3/04 |
| Star Water & Sewer Dist. | 6 | 3,600,000 | 12/03 |
| Eagle Sewer District | 7 | 280,000 | 9/03 |
| Eagle Sewer District | 8 | 1,200,000 | 3/04 |
| Burley, City of# | 9 | 18,000,000 | 7/03 |
| Southside W&S Dist. | 10 | 400,000 | 4/03 |
| Hagerman, City of* | 11 | 900,000 | 12/03 |
| North Lake Sewer Dist. | 22 | 1,300,000 | 9/03 |
| Granite-Reeder S.D.* | 24 | 2,000,000 | 9/03 |
| Jerome, City of* | 13 | <u>2,302,745</u> | 4/04 |
| TOTAL | | \$39,146,457 | |

FY 2004 STATE WATER POLLUTION CONTROL LOAN PRIORITY LIST

FINAL APPROVED

WW LOAN

| Rank | Project | FY 2004 Rating | Reg. Off. | DEQ Est. Loan Amt. | Needs Cat. | Project Description | Step | Discharge Permit # | BOD | SS |
|------|--|----------------|-----------|--------------------|--------------|---|------|--------------------|-----|----|
| 1 | City of Dietrich | 150 | TFRO | 100,000 | I, IVA, IVB | Complete the Dietrich STEP projects. | 4 | No Discharge | | |
| 2 | City of Shelley | 131 | PRO | 1,300,000 | I, IVA, IV B | Construct regional wastewater treatment facility. | 4 | ID0020133 | 45 | 70 |
| 3 | Burke Canyon | 129 | CDA | 500,000 | I, IVA-B | New secondary treatment facility and new collectors and interceptors. | 4 | No Discharge | | |
| 4 | City of Moscow | 126 | LRO | 3,500,000 | I, II | Upgrade treatment to meet TMDL phosphorous removal requirement. | 4 | ID0021491 | 30 | 30 |
| 5 | City of Mountain Home | 122 | BRO | 4,005,000 | I, VA-B | Install a new 21-inch interceptor, upgrade or abandon existing lagoon cell #6, and upgrade headworks. | 4 | No discharge | | |
| 6 | Star Water and Sewer District | 122 | BRO | 3,600,000 | I, IVA-B | Install a new pump station and headworks at the existing treatment facility and construct a new parallel mechanical treatment facility. | 4 | ID002359-1 | 45 | 70 |
| 7 | Eagle Sewer District - Evans Acres | 111 | BRO | 280,000 | I, VA-B | Provide centralized sewer service to Evans Acres. | 4 | No Discharge | | |
| 8 | Eagle Sewer District - Eagle Island | 111 | BRO | 1,200,000 | I, VA-B | Provide centralized sewer service to the Eagle Island area. | 4 | No Discharge | | |
| 9 | City of Burley | 110 | TFRO | 18,000,000 | I, II | Construct new 4mgd mechanical WWTP. | 4 | ID0020095 | 30 | 70 |
| 10 | Southside W&S District | 106 | CDA | 400,000 | I | Upgrade of WWTP to serve 20-year design population and meet compliance schedule in wastewater land application permit (WLAP). | 4 | No Discharge | | |
| 11 | City of Hagerman | 104 | TFRO | 900,000 | I, IVA | Install surface aerators on lagoons and construct new sewer main and lift station. | 4 | ID002594-1 | 30 | 70 |
| 12 | Fish Haven Recreation & Sewer District | 103 | PRO | 600,000 | I | Construct New Lagoon, rehabilitate land application area, and upgrade main transmission line. | 4 | No Discharge | | |
| 13 | City of Jerome | 101 | TFRO | 6,000,000 | I | Expand existing wastewater treatment facility. | 4 | ID0020168 | 30 | 30 |

| Rank | Project | FY 2004 Rating | Reg. Off. | DEQ Est. Loan Amt. | Needs Cat. | Project Description | Step | Discharge Permit # | BOD | SS |
|------|---|-------------------|--------------|-----------------------|---------------|---|------|-----------------------|-----|----|
| 14 | City of Rupert | 100 | TFRO | 12,200,000 | I,II | New mechanical treatment plant. | 4 | No Discharge | | |
| 15 | City of Ucon | 100 | IFRO | 300,000 | IVA-B | Re-route existing pressure line to make way for highway project. | 4 | No discharge | | |
| 16 | City of Twin Falls | 99 | TFRO | 7,250,000 | II | Construct equipment to remove phosphate (PO4). | 4 | ID0021270 | 30 | 30 |
| 17 | City of Ashton | 99 | IFRO | 1,500,000 | I,IVA-B | Design and construct wastewater treatment improvements and upgrade the collection system. | 4 | ID0023710 | 30 | 30 |
| 18 | City of Pierce | 96 | LRO | 98,300 | IIIA | Correct infiltration/inflow (I/I) problems. | 4 | ID002020-6 | 45 | 45 |
| 19 | North Lake Recreational Sewer and Water District Royal Scot Collection System and Service to three campgrounds | 93 | BRO | 1,362,000 | I,IVA-B | Install gravity collection sewers and a major lift station at Royal Scot Subdivision and Poison Creek, West Mountain, and Buttercup Campgrounds. | 4 | No discharge | | |
| 20 | North Lake Recreational Sewer and Water District - Smiling Julie Subdivision | 93 | BRO | 400,000 | I,IVA-B | Install gravity collection sewers and a major lift station. | 4 | No discharge | | |
| 21 | North Lake Recreational Sewer and Water District Conveyance Pipeline and upgrade of Donnelly Wastewater Treatment Facility (Aeration) | 93 | BRO | 2,806,000 | I,IVA-B | Install dual pressure lines from the Poison Creek area to Edwards Area P2 and provide aeration for the Donnelly Treatment Facility. Phase 1 | 4 | No discharge | | |
| 22 | North Lake Recreational Sewer and Water District Conveyance Pipeline and upgrade of Donnelly Wastewater Treatment Facility (Aeration) | 91 | BRO | 1,300,000 | I,IVA-B | Install dual pressure lines from the Poison Creek area to Edwards Area P2 and provide aeration for the Donnelly Treatment Facility. Phase 2 | 4 | No discharge | | |
| 23 | North Lake Recreational Sewer and Water District Wagon Wheel East (6,7,8) | 91 | BRO | 460,000 | IVA-B | Install collection and interceptor sewers and needed lift stations. | 4 | No discharge | | |
| 24 | Granite-Reeder Sewer District | 89 | CDA | 2,000,000 | I, IVA-B | Install new secondary treatment system and new collectors and interceptors. | 4 | No Discharge | | |

| Rank | Project | FY 2004 Rating | Reg. Off. | DEQ Est. Loan Amt. | Needs Cat. | Project Description | Step | Discharge Permit # | BOD | SS |
|------|---|----------------|-----------|--------------------|------------|--|------|--------------------|-----|----|
| 25 | North Lake Recreational Sewer and Water District SISCRA | 86 | BRO | 350,000 | I,IVA-B | Install collection and interceptor lines and lift station. | 4 | No Discharge | | |
| 26 | City of Filer | 85 | TFRO | 500,000 | II, IIIB | Treatment plant upgrade, sewer rehabilitation. | 4 | ID0020061 | 30 | 70 |
| 27 | City of Payette | 82 | BRO | 350,000 | I | Replace chlorine disinfection system with ultra violet treatment. | 4 | ID0020672 | 30 | 30 |
| 28 | City of Craigmont | 76 | LRO | 1,400,000 | IVA-B | Replace old sections of collector and interceptor lines that have high infiltration and inflow (I/I). | 4 | ID0021288 | 45 | 70 |
| 29 | City of American Falls | 71 | PRO | 500,000 | I | Upgrade wastewater treatment facility. | 4 | ID0020753 | 30 | 30 |
| 30 | City of Donnelly | 55 | BRO | 55,000 | I | Increase chlorination level; drill a well for wash water and purchase equipment for aerator maintenance. | 4 | No discharge | | |
| 31 | City of Viola | 48 | LRO | 350,000 | IIIA | Correct infiltration/inflow (I/I) problems. | 4 | No discharge | | |

***Needs Category**

I - Secondary Treatment III -Infiltration/Inflow Correction IVA - New Collector Sewers V -Combined Sewer Overflows
 II -Advanced Treatment IIIB -Replacement/Rehabilitation IVB -New Interceptor Sewers VI -Storm Sewer

WARNING: USE OF THIS LIST AS A MAILING LIST OR AS A TELEPHONE NUMBER LIST IS PROHIBITED BY IDAHO CODE SECTION 9-348 AND IS PUNISHABLE BY A CIVIL PENALTY OF UP TO \$1,000.